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SCOTT C HARRIS P O BOX 927649 SAN DIEGO, CA 92192			GARCIA, ERNESTO	
			ART UNIT	PAPER NUMBER
			3679	

DATE MAILED: 05/19/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/669,805

Applicant(s)

HARRIS, SCOTT C.

Examiner

Ernesto Garcia

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 15 March 2005.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 2,5,7 and 13-29 is/are pending in the application.
- 4a) Of the above claim(s) 7,23 and 24 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 2,5,13-22 and 25-29 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 15 March 2005 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

The text of those sections of Title 35, U.S. Code not included in this action can be found in prior Office actions.

Restriction

Restriction to one of the following inventions is required under 35 U.S.C. 121:

- I. Claims 2 and 13-22, drawn to a method of automated auction bidding and its system, classified in class 705, subclass 38.
- II. Claims 7, 23 and 24, drawn to a method of conducting an auction on the internet, classified in class 705, subclass 38.

The inventions are distinct, each from the other because of the following reasons:

Inventions I and II are related as combination and subcombination. Inventions in this relationship are distinct if it can be shown that (1) the combination as claimed does not require the particulars of the subcombination as claimed for patentability, and (2) that the subcombination has utility by itself or in other combinations (MPEP § 806.05(c)). In the instant case, the combination as claimed does not require the particulars of the subcombination as claimed because group I does not require second hosting a second portion of an auction in an interactive manner. The subcombination has separate utility such as conducting a sale on the internet.

Because these inventions are distinct for the reasons given above and have acquired a separate status in the art because of their recognized divergent subject matter, restriction for examination purposes as indicated is proper.

During a telephone conversation with Mr. Harris Scott on May 4, 2005 a provisional election was made without traverse to prosecute the invention of Group I, claims 2, 5, 13-22, and 25-29. Applicant in replying to this Office action must make affirmation of this election. Claims 7, 23 and 24 are withdrawn from further consideration by the examiner, 37 CFR 1.142(b), as being drawn to a non-elected invention.

Drawings

The drawings were received on 3/15/05. These drawings are not acceptable.

The drawings are objected to because reference characters for each box were omitted from Figure 1.

The drawings are objected to as failing to comply with 37 CFR 1.84(p)(5) because they do not include the following reference sign(s) mentioned in the description: "520" as mentioned on page 15 in line 8.

The drawings are objected to as failing to comply with 37 CFR 1.84(p)(5) because they include the following reference character(s) not mentioned in the description: "808" shown in Fig. 4.

The drawings are objected to because box 310 should show the label for the Y-axis and X-axis to show bid versus time. The text "PROFILE BY" in box 320 in Figure 3 should be --GRAPH--. "More" in step "424" should be --Move--. An under cursor is missing in between "MIN" and BID" in box 610 of Figure 6A. The term "MODERATORS" in box 610 of Figure 6A should be --AGENTS--. The text "INC" in unlabeled box following box 645 in Figure 6A should be --BID_INC-- to be consistent with the specification. Further, the empty boxes shown in Figure 5 make unclear what they are or what they represent. These empty boxes should be deleted.

Specification

The disclosure is objected to because "The" in line 19 of page 18 should be --They--. Further, the section "Brief Description of the Drawings" has not described Figures 6A, 6B, 7A and 7B. Appropriate correction is required.

The specification is objected to as failing to provide proper antecedent basis for the claimed subject matter. See 37 CFR 1.75(d)(1) and MPEP § 608.01(o). Correction of the following is required: the limitations "first computer" recited in line 2 of claim 2,

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"second computer" recited in line 6 of claim 2, "said quick bid only overcomes those bids which are known" recited in line 3 of claim 14, "plurality of bids includes a plurality of bids, associated with times when those maximum bids can be made, and only those bids whose times have been reached are known" recited in lines 1-3 of claim 15, "determining both secret bids and non-secret bids" recited in line 2 of claim 16, "said action includes an extra fee beyond that which would be charged for only non-secret bids" recited in claim 17, and "said client allows sending a plurality of bids, to be executed at a plurality of times" recited in lines 1-2 of claim 20 are not recited in the specification.

Claim Objections

Claims 2, 7, 13, 18, 22, 26, and 28 are objected to because of the following informalities:

regarding claim 2, a comma should be inserted after "information" in line 7 and after "bids" in line 8.

regarding claim 7 is "in a-manner" in line 4 should be --in a manner--;

regarding claim 13, applicant should consider rewriting the claim as the capabilities of the first computer do not define any positive steps; and,

regarding claim 18, "running" in line 2 should be --able to run--, and "accepts" in line 3 should be --able to accept--, and "enabling and sending" in line 4 should be --able to enable and send-- as the claim is not a living claim;

regarding claim 22, --a-- in line 2 should be --the--, "amount" in line 3 should be --amounts--, and "an" in line 4 should be --the--;

regarding claim 26, "second" in line 2 should be --other--, "an entered" in line 3 should be --the placed--, and --current-- needs to be inserted before "maximum";

regarding claim 28, "second" in lines 2 and 3 should be --other--, and --a-- in line 3 should be --the--, Appropriate correction is required.

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 2, 5, 13-17, 21, 22, 25, 26, 28 and 29 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the invention.

Regarding claim 2, it is unclear how to enable the use of the method. In particular, how does the amount required to overcome any current bids (the information)

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determine whether an entered bid is higher than a current bid. Let's say that the current bid is \$1.00 and the amount required to overcome any current bid is \$1.01 (note, the information of \$1.01 is unknown to the user), and say, an entered bid of \$1.75 (remember the user doesn't know that any amount to overcome any current bid is \$1.01 and so the bidder bets \$1.75-although logically this amount is known to outbid the current bid) is entered. So how does the secret \$1.01 amount determine whether \$1.75 is higher than the current bid of \$1.00? Now, if the scenario is changed to \$5.00 for the amount to overcome the current bid of \$1.00 and kept unseen by the user, and the same entered bid of \$1.75 is entered. How does the \$5.00 determine whether 1.75 is higher than the current bid of \$1.00?

Regarding claim 13, "the limitation "displaying a current winning amount, which is an amount that exceeds all the other bids on the item, but which may be less than, or the same as, said highest bid" in line 8-10 does not allow one to properly use the invention. Logically, in order for the current winning amount to exceed the highest bid, the current winning amount has to be greater than the highest bid. So how can the current winning amount be less than or the same as the highest bid? If the current winning amount is less than or equal to the highest bid, apparently it is not a current winning amount and so the bid cannot be entered.

Regarding claim 25, the limitation "which allows a bid to be placed without contacting said first computer" in line 8-10 does not enable one using the system to

place a bid. How does the other computer place a bid without contacting the first computer hosting the auction? If the first computer does not receive an amount to bid, then logically no bid exists. Common sense will establish that for a bid to be a bid the first computer has to receive the amount being bided, otherwise it is not a bid. Even in personal auctions, a bidder has to orally contact the auctioneer to place a bid otherwise, the bidder is not placing a bid.

Regarding claims 5 and 22, the claims depend from claim 2 and therefore do not enable one to use the invention.

Regarding claims 14-17 and 21, the claims depend from claim 25 and therefore do not enable one to use the invention.

Regarding claims 26, 28 and 29, the claims depend from claim 25 and therefore do not enable one to use the invention.

Claims 2, 5, 22, and 25 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Regarding claim 2, the limitation "allowing placing bids ... from a second computer" in line 4-5 does not limit the method as no bid has been positively been

placed. The limitation only recites what a second computer is capable of performing but not positively required. A positive recitation would be --placing at least one bid ... from a second computer--.

Regarding claim 5, the limitation "keeps the amount of the bids secret until a time of day and date" makes uncertain whether the user really knows the current bid and further how can you keep an entered bid secret by the user when the user already entered that amount for the bid. Further, the limitation "the bid" in line 4 makes unclear whether that is the current bid or the entered bid.

Regarding claim 13, the limitation "which allows a plurality of users at remote locations, that are remote from a location of said first computer, to bid on an item" in lines 3-5 does not limit the method as no bid has been positively been placed. The limitation only recites what the first computer is able to perform but not positively required. Further, for users to be able to bid, a second computer must be recited. The limitation "a current winning amount, which is an amount that exceeds all the other bids, but which may be less than, or the same as, said highest bid, depending on a relationship between said highest bid and said all the other bids" in lines 8-10 makes uncertain what the current winning amount is. Lines 8 states that the current winning amount exceeds all the other bids, i.e., the highest bid and the amount that exceeds the highest bid. However, this statement contradicts line 9 as now the current winning amount may be less than, or the same as the highest bid. Therefore, it makes uncertain

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what exactly is the highest bid. Is it the current winning amount the highest bid, or the amount that exceeds all other bids. Further, "the relationship" is unclear and has not been defined.

Moreover, a third computer is required for the "one other of the plurality of users can bid an amount that exceeds said highest bid" as required in line 7 otherwise, that user cannot place a highest bid. Further, the limitation "enabling a quick bid" in line 14 does not limit the method as a quick bid has not been positively placed.

Regarding claim 14, the limitation "bids, some of which are known and other which are secret" makes unclear to whom the bids are known or unknown.

Regarding claim 16, the limitation "enabling an action which allows determining" in line 2 does not limit the method as the action of determining has not occurred. Further, how does one determine secret bids when information is kept secret. Is the information stolen or hacked?

Regarding claims 15 and 17 and 21, the claims depend from claim 13 and therefore are indefinite.

Regarding claim 22, the limitation "the server" in line 2 makes unclear whether the server is one of the computers recited in claim 2 or a different component. For

purposes of examination, the examiner has considered the server to be the first computer. The limitation "said values" in line 4 lacks antecedent basis and it is unknown what those values are.

Regarding claim 25, the limitation "which allows a bid to be placed" in line 8 does not limit the method as a bid has not been placed. Further, the limitation "said icon enables placing a bid" in line 9 also does not limit the method as a bid has not been placed. Further, the limitation "a current maximum bid which ahs been placed" makes unclear who has placed the current maximum bid. Did the user of the other computer place the maximum bid?

Regarding claim 26, the limitation "enabling determining" reads as an oxymoron.

Regarding claim 28, the claim depends from claim 26 and therefore is indefinite.

Regarding claim 29, the limitation "said icon allows said bid to be placed", in lines 1-2, does not limit the method as a bid has not been placed.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

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(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

Claims 2, 5, 22, 25, 26, and 28 are rejected under 35 U.S.C. 102(b) as being unpatentable over eBay's "Proxy Bidding".

At the outset, it should be noted that in method claims, it is the patentability of the method steps that is to be determined and not the recited information on the databases. Information on database not affected in the manipulation sense is given no patentable weight.

Regarding claim 2, as best understood, eBay discloses a method comprising:
host an internet auction on a first computer connected to the internet;
place a bid from a second computer; and,
store information on the second computer about an amount required to overcome any current bid. Applicant is reminded that information that eBay sends to the second computer is cached at the second computer, including any amount required to overcome any current bid. Any information cached is stored locally at the second computer.

Regarding claim 5, eBay's NPL discloses the step of placing comprising providing bids to an agent program. Applicant is reminded that all auctions hosted on the internet have a agent program so bids can be placed on the second computer.

Regarding claim 22, the method further comprises
storing maximum bid amounts on the first computer (eBay inherently stores
maximum bids); and,
displaying the current bid without displaying the maximum bid amounts.
Applicant should review the eBay Auction Stats box as no maximum bid amounts are
displayed but only minimum bid amounts.

Regarding claim 25, eBay's NPL discloses a method comprising:
host an Internet auction on a first computer;
accept bids from at least one other computer connected to the first computer;
display a current price for an item on the other computer;
keep secret a current maximum bid placed from other users; and,
display an icon of the other computer.

Applicant is reminded that the magical elf on eBay's NPL keeps secret Joe's
maximum bid of \$8.00. When the \$8.00 becomes the current maximum bid, Jenny or
You do not know that the \$8.00 was the maximum for Joe. The \$8.00 will be kept
secret even when \$8.00 is the current maximum bid. Therefore, the step of keeping
secret the \$8.00, when it becomes the current maximum bid, is performed. In regards
to displaying the icon, all programs running an internet auction display icons. Applicant

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should note that any bid placed will inherently has to be higher than the current maximum bid.

Regarding claim 26, the method further comprises:

running an applet on the second computer; and,

determining whether the placed bid is higher than the current maximum bid.

Applicant is reminded that an applet (a software on the other computer) determines whether the entered bid is higher than the current maximum bid. The software checks whether applicant has entered a value with an increment of \$0.25 or not before sending the bid.

Regarding claim 28, the method further comprises:

determine whether an entered bid is higher than the secret maximum bid in the other computer; and

informing the user at the other computer without contacting the first computer.

Applicant is reminded that when eBay's elf used in Joe has a maximum bid of \$8.00, which is secret from Jenny and You, thus a secret maximum bid, the program will determine whether an entered bid will be higher than the secret maximum bid in the other computer. Applicant is also reminded that computers inform users, without contacting a first computer, with the use of Help files in the computers.

Claim Rejections - 35 USC § 103

Claims 13-17, and 21 are rejected under 35 U.S.C. 103(a) as being unpatentable over eBay's "Proxy Bidding", and further in view of Hartman et al., 5,960,411.

Regarding claim 13, as best understood, eBay's NPL discloses a method of automated auction bidding comprising steps of :

- hosting an auction on a first computer connected to an Internet;
- placing a highest bid from one user from a second computer;
- placing a bid exceeding the highest bid from another user from a third computer;
- displaying a current winning amount in the first computer;
- exceeding the highest bid and the bid exceeding the highest bid with the current winning amount;
- not displaying the highest bid by the first computer; and,
- not displaying a minimum bid amount required to exceed the highest bid.

Applicant should note that eBay's NPL has Joe bidder showing a maximum of \$8.00 as the highest bid and Your bidder elf will place a bid higher than Joe's \$8.25. The first computer will display the \$8.25 as the current winning amount. Apparently, once the current winning amount is displayed, the highest bid (that of Joe) will not be displayed anymore. Further, even though eBay's NPL shows a minimum bid amount in

the eBay Auction stats, it would be obvious not to show the minimum bid amount exceeding the highest bid (\$8.00) when rules are not used.

However, eBay does not disclose the step of “enabling a quick bid exceeding the highest bid with a single click”.

Hartman et al. teach that single click order placing is well known in the art (see e.g. column 2, lines 55-60 and column 3, lines 30-67). Hartman et al. employ the single click action within the context of placing an order over a commemorations network which is analogous to, if not exactly the same as, submitting a bid over the internet in the context of an auction setting. The single click action of Hartman et al. is made possible by way of previous entry of user identification information and assignment of a unique identifier to that user so that future submissions require ; only minimal effort (i.e. a single click) and prevent redundant transmission of sensitive information over the network. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include the ability to submit a bid via the action of a single click as taught by Hartman in order to speed up the process of placing bids.

Regarding claim 14, the method inherently discloses the step of overcoming those bids which are known with the quick bid.

Regarding claims 15 and 17, these claims do not recite any method steps to further limit the method.

Regarding claim 16, eBay's NPL determines secret bids and non-secret bids.

Regarding claim 21, the method further includes displaying the quick bid responsive to a specified action by the user. Applicant should note that clicking the mouse by the user is a specified action.

Claims 18-20 and 29 are rejected under 35 U.S.C. 103(a) as being unpatentable over eBay's "Proxy Bidding", as applied to claim 25 below, and further in view of Hartman et al., 5,960,411.

Regarding claims 18-20, given the method of claim 29 below, the system inherently is used.

Therefore, regarding claim 18, the system comprises a server, a client, and a program. The program is able to display information about an auctioned item, accept bids on the item and keep track of a maximum bid. Given, the modification above, the client is able to send a bid to the server with a single click including an amount of the bid.

Regarding claim 19, the server automatically updates at least one screen being seen on at least one client to automatically show new bid amounts.

Regarding claim 20, the client is able to send bids to be executed at a plurality of times.

Regarding claim 29, eBay's NPL, as discussed above, does not explicitly include the step of sending the bid to said server with a single click. Hartman et al. teach that single click order placing is well known in the art (see e.g. column 2, lines 55-60 and column 3, lines 30-67). Hartman et al. employ the single click action within the context of placing an order over a commemorations network which is analogous to, if not exactly the same as, submitting a bid over the internet in the context of an auction setting. The single click action of Hartman et al. is made possible by way of previous entry of user identification information and assignment of a unique identifier to that user so that future submissions require ; only minimal effort (i.e. a single click) and prevent redundant transmission of sensitive information over the network. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include the ability to submit a bid via the action of a single click as taught by Hartman in order to speed up the process of placing bids.

Response to Arguments

Applicant's arguments with respect to claims 2,5,13-22, and 25-29 have been considered but are moot in view of the new ground(s) of rejection.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Ernesto Garcia whose telephone number is 571-272-7083. The examiner can normally be reached from 9:30-5:30. The fax phone numbers for the organization where this application or proceeding is assigned are 703-872-9326 for regular communications and 703-872-9327 for After Final communications.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Daniel P. Stodola can be reached on 571-272- 7087. Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only.

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For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

E.G.

E.G.

May 6, 2005

Daniel P. Stodola

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